Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms	)	CC Docket No. 98-171
	)	
Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990	)	CC Docket No. 90-571
	)	
Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size	)	CC Docket No. 92-237 NSD File No. L-00-72
	)	
Number Resource Optimization	)	CC Docket No. 99-200
	)	
Telephone Number Portability	)	CC Docket No. 95-116

To: The Commission

REPLY COMMENTS OF ARCH WIRELESS, INC.

Arch Wireless, Inc. ("Arch"), a national provider of paging and messaging services, hereby submits reply comments in the above-captioned proceeding[1] to respond to certain issues raised in parties' initial comments.[2]

---

[1] *Federal State Joint Board on Universal Service; 1998 Biennial Regulatory Review; Telecommunications Services for Individuals with Hearing and Speech Disabilities; Administration of the North American Numbering Plan; Number Resource Optimization; Telephone Number Portability,* Notice of Proposed Rulemaking, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, FCC 01-145 (rel. May 8, 2001) (the "NPRM").

I. Revenue-Based Assessment: CMRS Safe Harbor

In their initial comments, the majority of comments were consistent with Arch's position that the current CMRS safe harbor is an efficient and reasonable means for wireless carriers to determine their amount of interstate revenues for purposes of universal service assessment.[3] Arch urges the Commission to retain the current 12% safe harbor for paging carriers.

Despite the debate in the initial comments about whether an apparent trend towards bundled local and long distance minutes in wireless pricing plans is increasing the interstate revenues of some wireless carriers,[4] the Commission must not lose sight of the fact that any such trend, whether it exists or not, *has no relevance to the paging industry*. As Arch pointed out in its initial comments, paging networks are not configured to offer "long distance" service of the type discussed in the NPRM and the comments.[5] Thus, there is no reason to believe that there has been any shift in the

---

[2] Although for the sake of brevity these reply comments only touch on some of the issues that Arch raised in its initial comments, Arch maintains its position on all of the issues it raised in those initial comments.

[3] *See, e.g.,* American Mobile Telecommunications Assoc., Inc. ("AMTA") Comments at 5-8; AT&T Wireless Services Comments at 7-9; Cellular Telecommunications & Internet Assoc. ("CTIA") Comments at 4-6; Cingular Wireless LLC ("Cingular") Comments at 5-6; Nextel Communications Comments at 11; Qwest Communications International ("Qwest") Comments at 7-8; Rural Cellular Assoc. ("RCA") Comments at 2-5; Small Paging Carrier Alliance ("SPCA") Comments at 2-4; Verizon Wireless Comments at 4-5.

[4] Some commenters argued that the increasing prevalence of bundled local and long distance usage packages was increasing wireless carriers' proportion of interstate usage. *See, e.g.,* Excel Communications Comments at 13; Iowa Utilities Board Comments at 2-3; National Telephone Cooperative Assn. Comments at 4; SBC Comments at 13. Other commenters argued that the existence of such plans has not shifted usage patterns appreciably. *See, e.g.,* Cingular Wireless Comments at 5-6; Nextel Communications Comments at 11; Verizon Wireless Comments at 6-8.

[5] Arch Comments at 4.

jurisdictional character of paging carriers' revenues, and no justification exists for changing the safe harbor for paging carriers.

As Arch noted in its initial comments, the 12% safe harbor for paging carriers is a reasonable, practical, and effective means for carriers to allocate their revenues for reporting and contribution purposes. The safe harbor should be retained for paging carriers.

II. Assessment on a Flat-Fee Basis

In its initial comments, Arch argued that the proposal to assess universal service contributions on a flat-fee basis would be inequitable, not competitively neutral, and jurisdictionally unsound.[6] The majority of commenters agreed with Arch on this point. Moreover, commenters opposing the flat-fee proposal represent widely varying interests, including large and small local exchange carriers, wireless carriers, and a state regulatory commission.[7]

Among the major supporters of the flat-fee proposal, in contrast, were interexchange carriers, which, because of their large volume of interstate traffic, have an obvious incentive to favor any assessment methodology that removes the emphasis from a carrier's percentage of interstate revenues.[8] But, as the Commission noted in the NPRM, the Commission's assessment methodology must "measure the amount of

---

[6] Arch Comments at 5.

[7] *See, e.g.,* BellSouth Comment (only issue addressed); Home Telephone Company Comments at 5-6; National Telephone Cooperative Assn. Comments at 2-3; OPASTCO Comments at 5-6; Qwest Comments at 8-9; SBC Comments at 13-16; Time Warner Telecom Comments at 2-4; Verizon Local Telephone Companies Comments at 2-6; Cingular Comments at 6-7; Iowa Utilities Board Comments at 2;

[8] *See, e.g.,* AT&T Comments at 11-13; WorldCom Comments at 26-27.

interstate telecommunications services provided by each carrier."[9] The flat-fee proposal fails to meet this goal, and should be rejected.

CONCLUSION

For the reasons discussed above, Arch urges the Commission to retain the 12% safe harbor for paging carriers, and to reject the flat-fee assessment proposal.

Respectfully submitted,

By: _____________/s/_________

Dennis M. Doyle
Vice President, Telecommunications
ARCH WIRELESS, INC.
1800 West Park Drive
Westborough, MA 01581-3912
(508) 870-6612

July 9, 2001

[9] NPRM at para. 17.